

Title 25. Department of Housing and Community Development

Enterprise Zone Regulations

Subchapter 21. Enterprise Zone Program

[Original proposed changes provided for public comment are shown in strikeout and underline. Subsequent changes are shown in shaded format for additions, and ~~bold~~ ~~strikeout~~ for deletions.]

Amend Section 8431 as follows:

§8431. Definitions.

The following definitions shall apply to this Subchapter. Unless the context clearly requires otherwise, terms not defined herein shall have the meanings set forth in Chapter 12.8 of Division 7 of the Government Code, commencing with Section 7070, or Revenue and Taxation Code Sections 23622.7 and 17053.74, as amended from time to time. References to code sections refer to the sections of these regulations unless otherwise noted.

(a) “Act” shall mean Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1, Government Code.

(b) “Certificate” or “voucher” ~~shall mean~~ means the certification described in subdivision (c)(1) of Revenue and Taxation Code Sections 17053.74 and 23622.7 ~~and which contains~~. This document shall contain all the information required by Section ~~8450.2~~ 8450.3 in a format provided by the Department.

(c) “Department” means the Department of Housing and Community Development.

(d) “Enterprise Zone” or “zone” means the same as defined in subdivision (d) of Government Code Section 7072.

(e) “Enterprise Zone Manager” or “zone manager” means the person or position designated by an enterprise zone governing body to administer its enterprise zone program, including the issuing of vouchers. ~~administration of the vouchering process.~~

(f) “Memorandum of Understanding” or “MOU” means an agreement between an enterprise zone and the Department identifying the start date of tax credits in the zone, listing the terms and conditions that the zone must fulfill during the life of the zone, and any amendments thereto including, but not limited to, any terms and conditions for compliance with any audit agreement.

~~(e)(g)~~ “Qualified Employee” means a “qualified employee” the same as defined in subdivision ~~(a)(4)(A)~~ (b)(4)(A) of Revenue and Taxation Code Sections 17053.74 and 23622.7 and who has met the documentation requirements of Section 8450.5 or Section 8450.6.

~~(f)(h)~~ “Remittance Form” means the form described in subsection (b) of Section 84348433.

(i) “Voucher” means the same as “Certificate.”

Note: Authority Cited: Sections 7086(a),—(d) Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7072(a), ~~7072(d)~~, 7076, 7076.1, and 7086, Government Code; Sections 17053.74(c) and 23622.7(c), Revenue and Taxation Code.

Adopt a new Article 14. Enterprise Zone Administration and Issuance of Vouchers.

Article 14. Enterprise Zone Administration and Issuance of Vouchers.

Adopt § 8450. Definitions. The following definitions shall apply to this Article 14 only. Unless noted otherwise or the context otherwise requires, the term “Subdivision,” for purposes of this Article, refers to the same subdivision of both Revenue and Taxation Code Section ~~17053.7~~ 17053.74 and Revenue and Taxation Code Section 23622.7.

(a) “Applicant” ~~shall mean the~~ means a business with a worksite fixed business address in the zone that applies to the zone for a voucher. An Applicant must conduct its trade or business from the business address in the zone. In the case of a business with more than one location, an application for a hiring voucher may be filed by the business’s agent in the local enterprise zone.

(b) “Application” means an application for a voucher, which shall contain the information required by Section 8450.3 and the documentation required by Section 8450.5 in a format provided by the Department.

(c) “Conflict of interest” means that it is reasonably foreseeable that a decision that a zone manager or zone employee participates in or influences will have a material financial effect, distinguishable from its effect on the public generally, on the zone manager or zone employee, a member of his or her immediate family, or a business entity in which the zone manager or zone employee is directly or indirectly involved.

~~(b) “Disabled individual” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(V).~~

~~(c) “Dislocated worker due to layoff” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(aa).~~

~~(d) “Dislocated worker due to plant closure” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(bb).~~

~~(e) “Dislocated worker due to long-term unemployment” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(cc).~~

~~(f) “Dislocated former self-employed worker” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(dd).~~

~~(g) “Dislocated civilian worker due to military base closure” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(ee).~~

~~(h) “Dislocated worker due to separation from the military” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(ff).~~

~~(i) “Dislocated worker due to seasonal unemployment” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(gg).~~

~~(j) “Dislocated worker due to Clean Air Act compliance” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(hh).~~

~~(k) “Doing business in the zone” means that a business has at least one worksite in the zone.~~

~~(l) (d) “Economically disadvantaged individual” or “economically disadvantaged youth” means an individual who is at least 14 years of age, and resides in a household with a total household income not exceeding the very low income category adjusted for household size and location, as set forth in the latest edition of the Income Limits published periodically by the Department pursuant to CCR Title 25, Section 6932, or in the latest edition of the Section 8 Income Limits published periodically by the U.S. Department of Housing and Urban Development whose income is 80% or below of the area median income adjusted for household size, and: is deficient in basic literacy skills; lacks a high school diploma or equivalent; or is homeless, a runaway, or a foster child.~~

~~(m) (e) “Ex-offender” means an individual who has been convicted of a felony or a misdemeanor offense punishable by incarceration, or a person charged with a felony offense or a misdemeanor offense punishable by incarceration but placed on probation by a state court without a finding of guilt. “Ex-offender” does not include an individual whose record has been expunged.~~

(f) “Household” means one or more persons who occupy a single dwelling unit.

(g) “Immediately preceding” means within the previous 90 days.

~~(n) “Local zone,” means the zone in which the employee that is the subject of the voucher application has performed or is expected to perform at least 50% of his or her services for the applicant.~~

(h) “Long-term unemployed” means current and continuous unemployment lasting for 15 weeks or more.

~~(o) “Native American” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(VIII).~~

~~(p) “Recipient of public assistance” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(VII).~~

~~(q) “Remote zone” means any enterprise zone other than the local zone.~~

~~(r) “TEA resident” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IX).~~

(i) “Veteran” means an individual who served in the active military, naval, or air service, and who was discharged or released from that service under conditions other than dishonorable.

~~(s) “Worksite” means a fixed geographic location within a zone where there is at least one employee that performed at least 50% of his or her services, during the most recent taxable year for a single employer.~~

Note: Authority Cited: Sections 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7072, 7076, 7076.1, and 7086, Government Code; Sections 17053.74(c) and 23622.7(c), Revenue and Taxation Code.

Adopt § 8450.1 Designation of Zone Manager and Staffing.

(a) Each enterprise zone governing body shall designate an enterprise zone manager and shall notify the Department, in writing, of its designee. If the zone manager is not an employee, department, or agency of the city, county, or city and county in which the enterprise zone is located, the governing body shall enter into a written agreement with the zone manager requiring, at a minimum, compliance with this Article 14.

(b) The governing body of each zone shall ensure that its zone manager is budgeted or ~~and~~ staffed at a level that will ~~permit~~ ensure compliance with the voucher program requirements of this Article 14.

(c) The enterprise zone governing body shall not reduce the budget or staff allocation of its zone manager from the levels indicated in its current MOU without prior written ~~notice to~~ approval from the Department.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076, 7076.1 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.2. Administration of a Vouchering Program.

(a) Each enterprise zone shall have and maintain a vouchering plan containing policies and procedures for the operation of a vouchering program. The plan shall, ~~at a minimum,~~ meet the following criteria:

- (1) The plan shall have written vouchering policies and procedures that ensure compliance with Revenue and Taxation Code Sections ~~17053.4~~ 17053.74 and ~~Section~~ 23622.7, Government Code Section 7070 et seq., California Code of Regulations title 10, chapter 7.8 commencing with ~~section~~Section 5600, and this subchapter 21.
- (2) The plan shall require any ~~applicant~~Applicant ~~for~~ requesting a voucher to provide documentary evidence to substantiate that the employee for whom a voucher is requested was, ~~as of~~ immediately preceding the date of ~~hire~~ employment, a qualified employee.
- (3) The plan shall require the zone manager and zone employees to retain and keep confidential ~~provide for retention of records for~~ a copy of each voucher application received and each voucher issued and their supporting documentation ~~sufficient for the Department to determine compliance with this subchapter 21 and for the Franchise Tax Board to determine that vouchers issued by the enterprise zone manager comply with the requirements of Revenue and Taxation Code Sections 17053.4 and Section 23622.7 and Franchise Tax Board practices and procedures.~~ These records shall include the date the application was received, whether the voucher was approved or denied, and ~~copies of all voucher applications, the documentation submitted pursuant to subsection (a)(2) and~~ a clear statement signed by the zone manager of the basis for the decision on each voucher application. Unless otherwise required by law these records shall be accessible only to the zone manager and zone employees, the zone governing body, the Franchise Tax Board, the Department, and Applicants (or their designees) who may access only their own applications. Records shall be maintained for a minimum of five years from the date an application for a voucher is received.
- (4) The plan shall require the zone to ~~ensure~~ certify that the zone ~~employees or agents~~ manager and zone employees are free of any conflicts of interest with Applicants or with the zone's obligations to objectively

evaluate and process applications the businesses in the zone requesting vouchers.

(5) The plan shall require the zone to ensure certify that vouchering policies and procedures are administered consistently.

(6) The plan shall include an annual affirmative marketing procedure to make for ensuring that businesses are: aware of the opportunities to participate in the enterprise zone program; made aware and of the vouchering plan; and timely notified of any changes in the vouchering plan.

~~(7) The plan shall include identification of, and a program for, direct linkage of benefits to disadvantaged employees by eligibility category.~~

~~(8)~~ (7) A zone ~~shall not~~ governing body may designate ~~use~~ a third party entity to ~~issue vouchers (a "vouchering agent")~~ process voucher applications if ~~unless~~ the plan expressly provides for ~~use of a vouchering agent,~~ this designation and the ~~vouchering agent~~ third party enters into a written agreement with the zone and such agreement requires compliance with this Article 14. The zone shall keep copies of all vouchers and applications processed by a third party.

~~(b) A zone manager shall issue vouchers only for employees who have performed or are expected to perform at least 50% of their work at a worksite located in the zone except that a local zone may enter into a written agreement with a remote zone authorizing the remote zone to issue vouchers on behalf of the local zone. Any such written agreement shall require compliance with all applicable provisions of this Article 14. The local zone shall notify the Department upon execution of any such agreement.~~

(b) Zone managers shall apply to the Department for allocations of voucher numbers, and shall sequentially number vouchers issued using numbers in the allocation provided.

(c) Notwithstanding the designation by an enterprise zone governing body of an enterprise zone manager, or of a third party entity to process voucher applications, the enterprise zone governing body shall remain responsible for compliance with the requirements of this Article 14.

~~(d) Notwithstanding any agreement between zones as permitted by subsection (b), the local enterprise zone and local enterprise zone manager on whose behalf the vouchers are issued shall be responsible for compliance with the requirements of this Article 14.~~

~~(e)~~ (d) Compliance with this Article 14 shall be evaluated as part of any Department audit of an enterprise zone program. Any audit findings regarding a remote zone's issuance of vouchers on behalf of a local zone shall apply equally to

~~the remote zone issuing the vouchers and the local zone on whose behalf the vouchers were issued.~~

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076, 7076.1, 7085 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.3. Content of an Application and a Voucher.

~~(a) This section establishes the content of a voucher, which includes the voucher application described in subsection (b) and the zone manager's (or the vouchering agent's) approval or denial of the application and the reasons therefore described in subsection (c). Vouchers shall be in a format provided by the Department, sequentially numbered for each zone, and containing the information required by this section.~~

~~(b) (a) A voucher application shall contain all of the following information:~~

~~(1) Employee's name, home address, telephone number (if applicable), social security number or other identifying number approved by the Department, job title, date of commencement of employmenthire, verifiable date of termination if no longer working for the applicant, starting hourly wage or salary, and an indication of whether the employee was hired into a new position or an existing position, and date of termination if no longer employed by the Applicant.~~

~~(2) Employer's name, address, address of business location in the zone if different, telephone number, e-mail address and federal tax identification number, total number of employees at the business location, and type of business.~~

~~(3) Identification of which the "qualified employee" eligibility category under which the applicantApplicant is applying.~~

~~(4) Identification of whether the application is being filed under Section 8450.5 or Section 8450.6.~~

~~(5) (4) If the application is being made under Section 8450.5, all All of the Information and documentation required by Section 8450.5. shall be included or the application will be returned as incomplete. If the application is being made under Section 8450.6, the applicant: shall include the information and documentation that the applicant believes will support the application; shall include a narrative explanation of how, in the applicant's opinion, the information establishes that the employee is a "qualified employee;" and shall sign the application under penalty of perjury stating that the submitted information is true and correct.~~

~~(6)(5) A statement by the applicantApplicant, signed under penalty of perjury, stating that it provided the priority for employment attesting to its~~

~~attempt to provide preference in hiring as~~ required by subdivision (b)(4)(B) of Revenue and Taxation Code Sections 17053.74 and 23622.7.

~~(7)(6)~~ Information necessary to establish that the ~~applicant~~Applicant maintains a ~~workplace~~ fixed business address in the zone.

~~(8) Information necessary to ensure that the employee expects to work or has worked at least 50% of his or her time at the worksite in the zone.~~

~~(9) Information necessary for the Department to prepare its reports to the Legislature pursuant to Government Code Section 7085 and to assess the cost effectiveness of the program.~~

~~(10) A statement by the applicant, signed under penalty of perjury, that the documents provided are true and correct copies of documents on file with the applicant.~~

~~(c) The zone manager or the vouchering agent shall summarize the information provided in subsection (b) and shall provide the following information:~~

~~(1) Date the application was received.~~

~~(2) Name, title, address and phone number of vouchering agent verifying the eligibility, if different from the zone manager.~~

~~(3) The eligibility criteria and documentation that the zone manager or the zone's vouchering agent has verified as having qualified the employee for a voucher at the time of hire.~~

~~(4) Approval or denial of the voucher, reason for denial if applicable, signature of the zone manager or vouchering agent and the date.~~

(b) A voucher shall contain all of the following:

(1) The name of the enterprise zone issuing the voucher, and the address, phone number, and e-mail address of the zone manager at the zone office.

(2) The employee's name, home address, telephone number (if applicable), e-mail address if available, social security number or other identifying number approved by the Department, date of commencement of employment, and date of termination if no longer employed by the Applicant.

(3) The Applicant's name, address, address of business location in the zone if different, telephone number, e-mail address of the appropriate contact person, and federal tax identification number.

(4) The "qualified employee" eligibility category under which the voucher is being issued.

(5) The name and signature of the zone manager and the date of issuance.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.4. Required Documentation For Issuance of a Voucher.

~~(a)~~ An enterprise zone manager, ~~or vouchering agent~~, shall issue a voucher if all of the following criteria are satisfied:

~~(a)(1)~~ The voucher is requested by ~~or on behalf of~~ an eligible Applicant ~~a business doing business in the zone.~~

~~(b)~~ The voucher is requested for an employee who, during the taxable year, is expected to perform or has performed at least 50% of his or her services for the business in the enterprise zone.

~~(c)~~ (2) The voucher application contains all the information required by Sections 8450.3 and 8450.5.

~~(d)~~ (3) The voucher application demonstrates, ~~to the satisfaction of the enterprise zone manager or vouchering agent~~ that the employee is a qualified employee.

(b) The zone manager shall continue to issue vouchers for applications received within twelve (12) months after the zone expiration date, provided that the criteria in subdivision (a) are satisfied. The governing body of the enterprise zone may delegate its authority to issue vouchers after the zone expiration date to the local social services agency pursuant to a written agreement with the local social services agency, subject to the prior written approval of the Department.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.5. Acceptable Documentation.

~~(a)~~ Except as provided in Section 8450.6, a zone manager shall not issue a voucher unless the applicant provides the information and/or documentation required by this Section.

~~(b)~~ For purposes of Subdivision (b)(4)(A)(iv)(I), the “successor program” to the Job Training Partnership Act (“JTPA”) is the “Core B” and/or “Intensive Services” component of the Workforce Investment Act of 1998 (Public Law 105-220) (“WIA”). For purposes of Subdivision (b)(4)(A)(iv)(II), the “successor program” to the Greater Avenues for Independence Act of 1985 (“GAIN”), is the welfare-to-work activities under the CalWORKS program provided for in Division 9, Part 3, Chapter 2, Article 3.2 (commencing with Section 11320) of the Welfare and Institutions Code.

(a) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(I), (b)(4)(A)(iv)(II), or (b)(4)(A)(iv)(XI), the ~~applicant~~Applicant shall provide one of the following documents pertaining to the employee’s status immediately ~~prior to~~ preceding commencement of employment with the ~~applicant~~Applicant:

~~(1)~~ A document issued by the local JTPA administrator stating that the employee either was receiving JTPA services, or was eligible to receive such services.

~~(2) A document issued by the local GAIN administrator stating that the employee either was receiving GAIN services, or was eligible to receive such services.~~

~~(3)~~ (1) A document issued by the local CalWORKS administrator stating that the employee was eligible for CalWORKS welfare-to-work activities.

~~(4)~~ (2) A document issued by the local WIA or successor program's case manager or administrator stating that the employee **either is eligible for WIA Core B or Intensive Services or was** enrolled in WIA Intensive Services or Core B, or a successor program.

~~(5)~~ (3) A document issued by the **local** Work Opportunity Tax Credit or successor program's "designated local agency" (as defined in Internal Revenue Code Section 51(d)(15)) stating that the employee **was a member of the a** targeted group, as defined in Internal Revenue Code Section 51(d), or its successor.

~~(c)~~ (b) To demonstrate that the employee is a qualified employee as an economically disadvantaged individual under Subdivision (b)(4)(A)(iv)(III), the **applicant** Applicant shall provide: **one of the following pertaining to the employee:**

(1) An official identification card or other document issued by the federal government or any state or local government that shows the employee's age or date of birth, and indicates **To document** that the employee is at least 14 years of age; and

(A) **Birth certificate;**

(B) **Work permit;**

(2) To document economic disadvantage:

(2) Documentation that, immediately preceding the commencement of employment with the Applicant, the employee was a member of a household with a total household income not exceeding the very low income category adjusted for household size and location, as set forth in the latest edition of the Income Limits published periodically by the Department pursuant to CCR Title 25, Section 6932, or in the latest edition of the Section 8 Income Limits published periodically by the U.S. Department of Housing and Urban Development. ~~(A) Documentation that the employee was a cash welfare recipient at the time of hire,~~

~~(B) Evidence of vocational rehabilitation referrals.~~

~~(C) Documentation that the employee was in foster care at the time of hire.~~

~~(D) Documentation that the employee was eligible for the free lunch program.~~

~~(E) Copy of a public assistance check.~~

~~(F) Public assistance identification card.~~

~~(G) Public assistance records print out.~~

~~(H) Signed statement from Health and Welfare Department.~~

~~(d)~~ (c) To demonstrate that, immediately preceding the commencement of employment with the Applicant, ~~the~~ an employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(aa), ~~due to layoff~~ the Applicant shall provide documentation from each of the following subdivisions:

(1) To document that an employee has been terminated, laid off, or received a notice of termination or layoff, ~~the applicant shall provide one of the following documents:~~

(A) Copy of a termination notice or other company documentation of employee's termination or layoff.

(B) Employer or union representative letter identifying the employee's termination date.

(C) Photocopy of printed media article or announcement, including the name and date of the publication, describing the layoff, along with a copy of the employee's last payroll check prior to hire by the Applicant.

(D) Unemployment Insurance Form 501 (Separation Statement), when completed on both sides and signed by an employer representative.

~~(E) Copy of the employee's last payroll check prior to hire by the applicant.~~

(2) To document that the employee is eligible for or has exhausted entitlement to unemployment insurance benefits, ~~the applicant shall provide one of the following documents:~~

(A) Unemployment insurance records.

(B) Statement by an Unemployment Insurance representative.

(3) To demonstrate that the employee is unlikely to return to his or her previous industry or ~~employment~~ occupation, ~~the applicant shall provide one of the following documents:~~

(A) Screen print of California Employment Development Department Labor Market Information Division screens that indicates limited opportunities for employment in the same or similar occupation such that the employee is unlikely to return to that occupation **lack of industry/occupation availability.**

(B) Doctor's statement indicating employee's inability to return to previous industry/occupation due to physical limitations.

(C) Vocational rehabilitation counselor's statement indicating the employee's inability to return to previous industry/occupation due to physical limitations.

~~(e)~~ (d) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(bb) due to plant closure, the Applicant shall provide documentation from each of the following subdivisions:

(1) To document that there has been a permanent plant closure or substantial lay off, ~~the applicant shall provide one of the following documents:~~

- (A) Bankruptcy documents, if declared under Chapter 7, Title 11 U.S.C., Notice of Foreclosure or a similar document provided by a financial institution when such document clearly shows that a closure or mass layoff will occur as a result of its issuance.
- (B) Copy of a printed media article/announcement, including the name and date of the publication, describing the closure/mass layoff. **The copy must include the name of the medium in which published and the date of publication.**
- (C) Statement from the employer or the union representative.
- (D) Statement from the employer's bank official, attorney, supplier, or accountant.
- (E) WARN (Worker Adjustment and Retraining Notification Act) notice.
- (2) To document that an employee has been terminated, laid off, or received a notice of termination or layoff, the ~~applicant~~Applicant shall provide one of the following documents ~~verifying~~**documenting** that the employee was employed at the plant identified in ~~(e)(1)~~ (d)(1) above:
 - (A) Copy of a **termination** notice of termination or layoff or other company documentation of employee's termination.
 - (B) Employer or union representative letter identifying the employee's termination date.
 - (C) Photocopy of printed media article or announcement describing the layoff**
 - ~~(D)(C)~~ Unemployment Insurance Form 501 (Separation Statement), when completed on both sides and signed by an employer representative.
 - ~~(E)(D)~~ Evidence that the employee is or was employed by the plant identified in subdivision (d)(1)**Copy of the employee's last payroll check prior to hire by the applicant.**
 - (E) WARN notice.

(f) (e) To demonstrate that an employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(cc) ~~as due to~~ long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual residesment, the ~~applicant~~Applicant shall provide documentation from each of the following subdivisionsone of the following documents pertaining to the employee and issued no sooner than 26 weeks prior to the date of hire:****

(1) To document that the employee is long-term unemployed, one of the following dated at least 15 weeks prior to commencement of employment with the Applicant:

- ~~(1)(A)~~ Proof of receipt of unemployment benefits for at least 15 ~~of the 26~~ weeks prior to commencement of employment ~~the date of hire~~ or proof that unemployment benefits were exhausted.
- ~~(2)(B)~~ Unemployment insurance verification (benefits records).
- ~~(3)(C)~~ Unemployment insurance award letter with claim history.
- ~~(4)(D)~~ Workers Investment Act Displaced Worker Unit Verification.

~~(5)~~(E) Statement by an Unemployment Insurance representative.

(F) Documentation that qualifies the employee as a dislocated worker under subdivision (c) or as a dislocated worker due to plant closure under subdivision (d) showing long-term unemployment for at least 15 weeks prior to commencement of employment.

(2) To document that the employee has limited opportunities for employment or reemployment in the same or a similar occupation:

(A) Screen print of California Employment Development Department Labor Market Information Division screens that indicates limited opportunities for employment or reemployment in the same or similar occupation.

(B) Doctor's statement indicating employee's inability to return to previous industry/occupation due to physical limitations.

(C) Vocational rehabilitation counselor's statement indicating the employee's inability to return to previous industry/occupation due to physical limitations.

~~(g)~~(f) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee as a dislocated former self-employed worker under Subdivision (b)(4)(A)(iv)(IV)(dd), the applicant Applicant shall provide a combination of one of the following or other documents sufficient to demonstrate demonstrating that the employee previously was self-employed and was unemployed prior to the commencement of employment date of hire due to economic conditions in the community or due to natural disaster:

(1) Bankruptcy documents listing both the name of the business and the employee's name.

(2) A business license or permit listing the employee's name.

(3) ~~Certified copy~~ Copy of articles of incorporation or documentation of dissolution for the business listing the employee as an owner, ~~officer, or principal.~~

(4) Prior ~~years~~ year's income ~~or sales~~ tax return.

~~(h)~~(g) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(ee) as a dislocated civilian employee of the Department of Defense employed at a military installation being closed or realigned under the Defense Base Closure and Realignment Act of 1990 ~~worker due to military base closure,~~ the Applicant ~~applicant~~ shall provide a copy of the employee's termination notice and either a copy of a media article or announcement describing the layoff or closure, or an employer or union representative letter describing the layoff or closure.

~~(i)~~(h) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(ff) as a dislocated worker who was an active member of the armed forces or National Guard as of September 30, 1990, and was involuntarily

separated or separated pursuant to a special benefits program, ~~due to separation from the military,~~ the **applicant** Applicant shall provide one of the following documents demonstrating that the employee meets the above qualifications's ~~separation from the service either was involuntary, or was done pursuant to a special benefits program.~~

- (1) Report of separation or discharge from the armed services or the National Guard.
- (2) Veterans Administration documentation.
- (3) Verification by State Veterans Agency.

~~(j)~~(i) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(gg) as a dislocated worker due to seasonal unemployment, the **applicant** Applicant shall provide one of the following documents demonstrating that the employee was a seasonal or migrant worker ~~prior to the date of hire:~~

- (1) Documentation of employee's migrant employment in a seasonal occupation.
- (2) Employer or union representative letter describing seasonal layoff in employee's seasonal occupation.
- (3) Copies of termination notices identifying employer and employee.
- (4) Copies of employee's pay stubs identifying seasonal employer.

~~(k)~~(j) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(hh) as a dislocated worker due to Clean Air Act compliance, the **applicant** Applicant shall provide a copy of the employee's termination notice and either a photocopy of a media article or announcement describing the reason for the layoff, or an employer or union representative letter stating that compliance with the Clean Air Act was the reason for the layoff.

~~(l)~~(k) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is qualified as a disabled individual under Subdivision (b)(4)(A)(iv)(V), the **applicant** Applicant shall provide the documentation required either by (1) or (2) ~~following:~~

- (1) The **applicant** Applicant shall provide one of the following documents demonstrating that the employee was ~~is~~ disabled and is eligible for, enrolled in, or has completed a state rehabilitation plan:
 - (A) Physician's statement.
 - (B) Rehabilitation plan.
 - (C) Vocational rehabilitation letter.
 - (D) Verification by state or federal rehabilitation counselor.
 - (E) Letter from a state drug or alcohol rehabilitation agency.
 - (F) Medical records.
 - (G) Social Security Administration disability records.

(H) Social Service records/referral.

(2) The ~~applicant~~ Applicant shall provide one of the following documents demonstrating that the employee is a service-connected disabled veteran:

(A) DD-214 Defense Department Report of Separation.

(B) Veterans Administration documentation.

(C) Verification by State Veterans Agency.

(I) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(V) as a Vietnam era veteran or a veteran recently separated from military service, the Applicant shall provide one of the following documents demonstrating that the employee meets the above qualifications:

(1) Report of separation or discharge from the armed services or the National Guard.

(2) Veterans Administration documentation.

(3) Verification by State Veterans Agency.

For purposes of this subdivision, "recently separated" means within 48 months preceding commencement of employment with the qualified taxpayer; and the term "Vietnam era veteran" means a veteran any part of whose active military service occurred between August 5, 1964, and May 7, 1975.

(m) To demonstrate that an employee is a qualified employee as an ex-offender under Subdivision (b)(4)(A)(iv)(VI), the ~~applicant~~ Applicant shall provide one of the following documents verifying that immediately preceding commencement of employment the employee was an ex-offender as defined in subdivision 8450(o) ~~convicted of a felony prior to the date of hire, or was charged with a felony but was placed on probation without a finding of guilt by a state court:~~

(1) Court documents.

(2) Letter of parole.

(3) Letter from probation officer.

(4) Police records.

~~(5) Application for employment dated and signed by the employee clearly stating that the employee was convicted of a felony prior to the date of hire, or was charged with a felony but was placed on probation without a finding of guilt by a state court.~~

(n) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(VII) as a recipient of, or eligible for, public assistance, the ~~applicant~~ Applicant shall provide one of the following documents verifying that the employee was receiving, or was eligible to receive, the assistance immediately preceding ~~prior to~~ the commencement of employment ~~date of hire:~~

(1) Public assistance award letter.

(2) Benefit printout.

- (3) Current food stamp identification card or award letter.
- (4) Social Security Insurance award letter or check stub.
- (5) Refugee Cash Assistance.
- (6) Verification by Department of Social Services.
- (7) Written statement from county welfare office or telephone verification by zone manager.
- (8) Public assistance records/printout.
- (9) Application for employment with the applicant signed by the employee demonstrating through the employee's employment history that the employee was the recipient of public assistance sometime during the 60 days prior to being hired by the applicant.**

(o) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(VIII) as a Native American, Native Samoan, Native Hawaiian, or member of another group of Native American descent, the **applicant** Applicant shall provide one of the following documents **verifying that the employee is a Native American:**

- (1) Native American tribal record document.
- (2) Certified Degree of Indian Blood (CDIB) card, issued by the Bureau of Indian Affairs.
- (3) Documentation that the employee is a Native Samoan, Native Hawaiian, or a member of another group of Native American descent.

(p) To demonstrate **eligibility** that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IX) as a **TEA** resident of a targeted employment area ("TEA"), as defined in Section 7072 of the Government Code, the **applicant** Applicant shall provide a copy of the officially listed **Targeted Employment Area ("TEA")** address range and one of the following documents, **dated within 90 days prior to the time of hire,** verifying that the employee **resides** resided in a TEA immediately preceding the commencement of employment:

- (1) Form I-9, U.S. Department of Justice, Immigration and Naturalization Service.
- (2) Driver's license or State Identification Card.
- (3) Copy of a W-4 with address, date and signature.**
- (4) (3) Landlord statement.**
- (5) (4) Lease or rental agreement.**
- (6) (5) Utility bill.**
- (7) Application for employment signed and dated no more than 60 days prior to the employee's hire date.**

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.6. — Alternate Method of Establishing Eligibility for Issuance of a Voucher.

If an applicant for a voucher cannot produce the documentation required by Section 8450.5, a zone manager may issue a voucher if the following requirements are met:

- (a) The applicant produces alternate documentation dated on or before the employee's date of hire that, in the zone manager's or vouchering agent's opinion, establishes that the employee was a "qualified employee" at the time of hire.
- (b) The applicant provides a statement signed by the employee, dated on or about the date of the voucher application and certified under penalty of perjury, that the documentation provided by the applicant pursuant to (a)(1)(A) is true and correct.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.7. Voucher Appeals.

Appeal of a denial of a voucher application shall be made in accordance with the provisions of this section.

(a) All appeals shall be in writing and shall include the following information:

- (1) Name and address of the business, and, if applicable, the business's representative for the purposes of the appeal;
- (2) Signature of the business or the business's authorized representative;
- (3) Narrative discussion of why the denial should be reversed and any additional information or documentation not previously provided in support of the application; and,
- (4) A copy of all denial notices.

(b) A denial issued by a **vouchering agent or a remote** zone manager **on behalf of a local zone** may be appealed to the **local** zone manager within **30** 60 calendar days of the date of the denial. The **local** zone manager shall respond to the appeal, with a final decision in writing, within **30** 60 calendar days of receipt of the appeal. The **local** zone manager's **response** final decision shall set forth the basis for the **local** zone manager's decision to accept or reject the appeal and shall be sent to the **applicant** Applicant, **the vouchering agent or remote zone manager**, and the Department.

(c) A final decision by a **local** zone manager denying an application may be appealed to the Department within 30 calendar days of the date of the final decision by the **local** zone manager. The Department shall have 90 calendar days from receipt of an appeal from **a local zone manager** an **applicant** Applicant to issue a written response granting or denying the appeal. **If the Department fails to issue a written response within 90 calendar days, the appeal shall be deemed denied.**

(d) The decision of the Department shall be final ~~and, if~~, shall be rendered in writing, and shall be sent to the ~~applicant~~ Applicant ~~(or, the applicant~~ Applicant's authorized representative) if applicable, and the ~~local~~ zone manager. If the Department grants the appeal, the zone manager shall issue a voucher to the appealing party.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086(d), Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.